

IN THE UNITED STATES DISTRICT COURT
FOR THE DISTRICT OF DELAWARE

UNITED STATES OF AMERICA,

Plaintiff,

v.

WILLIAM GARRETT,

Defendant.

Criminal Action No. 06- 123

REDACTED

INDICTMENT

The Grand Jury for the District of Delaware charges that:

Count One

During the calendar year 2000, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was in Wilmington, Delaware, had and received taxable income in the sum of about \$52,000; that upon said taxable income there was owing to the United States of America a tax of about \$22,600; that well-knowing and believing the foregoing facts, William Garrett, on or about April 16, 2001, in the State and District of Delaware, did willfully attempt to evade and defeat the said tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 16, 2001, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said tax, by concealing a part of his income by taking monies that constituted income directly from his law firm's escrow and real estate accounts rather than from his law firm's operating account, by paying personal expenses directly out of his firm's operating account, by not disclosing to the Delaware Supreme Court the existence of a Mellon Bank special account, and by falsely stating to the Delaware Supreme Court that he was in full compliance with his obligations to file federal tax returns, all in violation of Title 26, United States Code, Section 7201.

Count Two

That during the calendar year 2000, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was located in Wilmington, Delaware, in the District of Delaware, had and received gross income in the sum of approximately \$81,200; that by reason of such gross income he was required by law, following the close of the calendar year 2000, and on or before April 16, 2001, to make an income tax return to the District Director of the Internal Revenue Service for the Internal Revenue District of Delaware, at Wilmington, or to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that well-knowing and believing all of the foregoing, he did willfully fail to make an income tax return to said District Director of the Internal Revenue Service, to said Director of the Internal Revenue Service Center, or to any other proper officer of the United States, in violation of Title 26, United States Code, Section 7203.

Count Three

During the calendar year 2001, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was in Wilmington, Delaware, had and received taxable income in the sum of about \$62,000; that upon said taxable income there was owing to the United States of America a tax of about \$26,600; that well-knowing and believing the foregoing facts, William Garrett, on or about April 15, 2002, in the State and District of Delaware, did willfully attempt to evade and defeat the said tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2002, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said tax, by concealing a part of his income by taking monies that constituted income directly from his law firm's escrow and real estate accounts rather than from his law firm's operating account, by paying personal expenses directly out of his firm's operating account, by not disclosing to the Delaware Supreme Court the existence of a Mellon Bank special account, and by falsely stating to the Delaware

Supreme Court that he was in full compliance with his obligations to file federal tax returns, all in violation of Title 26, United States Code, Section 7201.

Count Four

That during the calendar year 2001, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was located in Wilmington, Delaware, in the District of Delaware, had and received gross income in the sum of approximately \$93,900; that by reason of such gross income he was required by law, following the close of the calendar year 2001, and on or before April 15, 2002, to make an income tax return to the District Director of the Internal Revenue Service for the Internal Revenue District of Delaware, at Wilmington, or to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that well-knowing and believing all of the foregoing, he did willfully fail to make an income tax return to said District Director of the Internal Revenue Service, to said Director of the Internal Revenue Service Center, or to any other proper officer of the United States, in violation of Title 26, United States Code, Section 7203.

Count Five

During the calendar year 2002, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was in Wilmington, Delaware, had and received taxable income in the sum of about \$45,600; that upon said taxable income there was owing to the United States of America a tax of about \$18,100; that well-knowing and believing the foregoing facts, William Garrett, on or about April 15, 2003, in the State and District of Delaware, did willfully attempt to evade and defeat the said tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2003, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said tax, by concealing a part of his income by taking monies that constituted income directly from his law firm's escrow and real estate accounts rather than from his law firm's operating account, and by paying

personal expenses directly out of his firm's operating account, all in violation of Title 26, United States Code, Section 7201.

Count Six

That during the calendar year 2002, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was located in Wilmington, Delaware, in the District of Delaware, had and received gross income in the sum of approximately \$68,400; that by reason of such gross income he was required by law, following the close of the calendar year 2002, and on or before April 15, 2003, to make an income tax return to the District Director of the Internal Revenue Service for the Internal Revenue District of Delaware, at Wilmington, or to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that well-knowing and believing all of the foregoing, he did willfully fail to make an income tax return to said District Director of the Internal Revenue Service, to said Director of the Internal Revenue Service Center, or to any other proper officer of the United States, in violation of Title 26, United States Code, Section 7203.

Count Seven

During the calendar year 2003, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was in Wilmington, Delaware, had and received taxable income in the sum of about \$24,200; that upon said taxable income there was owing to the United States of America a tax of about \$8,900; that well-knowing and believing the foregoing facts, William Garrett, on or about April 15, 2004, in the State and District of Delaware, did willfully attempt to evade and defeat the said tax due and owing by him to the United States of America for said calendar year by failing to make an income tax return on or before April 15, 2004, as required by law, to any proper officer of the Internal Revenue Service, by failing to pay to the Internal Revenue Service said tax, by concealing a part of his income by taking monies that constituted income directly from his law firm's escrow and real estate accounts rather than from his law firm's operating account, and by paying

personal expenses directly out of his firm's operating account, all in violation of Title 26, United States Code, Section 7201.

Count Eight

That during the calendar year 2003, William Garrett, a resident of Kennett Square, Pennsylvania, whose law practice was located in Wilmington, Delaware, in the District of Delaware, had and received gross income in the sum of approximately \$54,000; that by reason of such gross income he was required by law, following the close of the calendar year 2003, and on or before April 15, 2004, to make an income tax return to the District Director of the Internal Revenue Service for the Internal Revenue District of Delaware, at Wilmington, or to the Director, Internal Revenue Service Center, at Philadelphia, Pennsylvania, or other proper officer of the United States, stating specifically the items of his gross income and any deductions and credits to which he was entitled; that well-knowing and believing all of the foregoing, he did willfully fail to make an income tax return to said District Director of the Internal Revenue Service, to said Director of the Internal Revenue Service Center, or to any other proper officer of the United States, in violation of Title 26, United States Code, Section 7203.

A TRUE BILL:

Foreperson

COLM F. CONNOLLY
United States Attorney

By: 

Richard G. Andrews
First Assistant United States Attorney

Dated: November 16, 2006